

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2122
ANSWERED ON:04.08.2000
COMPANIES LISTED IN BSE/NSE
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Will the Minister of FINANCE be pleased to state:

- (a) the details of companies listed in the Bombay Stock Exchange(BSE) and the National Stock Exchange(NSE), separately;
- (b) the number of companies out of the total companies listed in both the exchanges are traded regularly;
- (c) whether it is a fact that most of the companies have been vanished from the market and are not trading regularly in both the exchanges;
- (d) whether Bombay Stock Exchange has started `Z` category for such companies who are not complying the listing bye laws of the said exchange;
- (e) if so, whether SEBI and BSE are aware that most of the companies like Ideal Carpets/Ideal Hotel are not sending their annual report to their shareholders since 1994-95 which is one of the condition of listing of one's company at the BSE; and
- (f) if so, the action taken by the Government against those companies particularly Ideal Carpet, who have vanished from the market and to protect the interest of general investors?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (BALASAHEB VIKHE PATIL)

- (a) & (b): According to SEBI, out of 5816 companies listed on BSE, approximately scrips of 1600 companies are traded regularly on BSE and out of 747 companies listed on NSE, approximately scrips of 684 companies are traded regularly on NSE.
- (c): Non-trading of a scrip of a company on an exchange cannot be considered as a ground for classifying the company as a company which has vanished.
- (d): The listed companies which do not comply with the requirements of some of the clauses of the listing agreement i.e., non-payment of listing fees, non-submission of annual reports, non-submission of quarterly results, non-fixation of book closure/record date, non-resolution of investor complaints, etc. are shifted to the `Z` group by BSE.
- (e) & (f): Both M/s. Ideal Carpets/Ideal Hotel have submitted their annual report for the year ending March, 1999. With a view to taking stringent action against vanishing companies, a Central Coordination and Monitoring Committee has been formed to take policy initiatives and monitor the actions initiated against such companies. The Committee consists of representatives of SEBI and the Department of Company Affairs. Also, seven task forces have been established in seven regions to assist the Committee and take joint action against such companies. As on 24.7.2000, SEBI has issued directions under section 11B of the SEBI Act, 1992 against 61 companies and 251 directors of such defaulting companies. The stock exchanges have been advised by SEBI to set up a separate cell for monitoring listing compliance by all listed companies. The cases of such defaulting companies have been referred to State Governments for action to be taken by police.